

PROBLEMS EXPERIENCED BY SCHOOL GOVERNING BODIES IN THE
EXECUTION OF THEIR FINANCIAL MANAGEMENT TASK: A CASE
STUDY.

by

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DECLARATION

I Madikela Titus Lekalakala declare that “Problems experienced by School Governing Bodies in the execution of their financial management task: a case study” is my own work and that all sources are mentioned in the bibliography.

M.T. Lekalakala (Mr)

Date

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DEDICATION

I am dedicating this thesis to my brothers Bernard, Marcus and Freddy and my two sisters Phina and Selina.

- ❖ To my uncle, Obed and aunt Christina, thanks for the inspiration and support that you have given me during my study.

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ABSTRACT

This research focuses on problems encountered by School Governing Bodies (SGBs) in executing their financial task in four schools situated in the Ramotse Area, Hammanskraal, north-east of the city of Tshwane.

The research methodology, which was employed, can be described as qualitative, exploratory and descriptive by nature. Data was collected by means of two focus group interviews, one involving the chairpersons of SGBs and the other involving the managers of the same schools.

An analysis of the data has revealed a number of financially related problems, which SGBs in the Ramotse Area experience, amongst other things that parents fail to meet their financial obligations and subsidies tend to arrive late.

The most important recommendation made is that SGBs should be trained both better and more frequently.

KEY TERMS

School Governing Bodies is the group of parents, educators, learners of higher institution of learning and school manager who are elected to see to it that there is smooth running of the school.

Financial Responsibilities means the responsibilities that are given to the school manager to handle finances of the school because he is in charge, trusted by the community and perform the duty with honesty.

Qualitative Research is an attempt to obtain an in-depth understanding of the meanings and definition of a situation presented by informants.

Focus Group Interview is a group of people invited to discuss a topic under the leadership or the guidance of the researcher.

Budget is a management tool or mechanism by means of which the management team of the school can estimate and plan, utilise and co-ordinate, control and evaluate the human material and other resources of the school in financial terms.

Accountability is when somebody takes the actions of responsibility, answerability, liability, chargeable and accountable to the school.

Condolence fees are fees that are given to the family to show the outward expression of sympathy for another's grief especially a formal declaration of regret for a person's bereavement and misfortune.

School Managers are the headmasters of the school who must see to it that there is smooth running of the school on daily basis.

Fund-raising is when the school decided to increase the funds in the school for specific reasons for example purchase of photocopier machine and improvement of the sports grounds.

Financial Management is the action whereby a person or school manager has to administer and control the finances in an organization or a school in a good way.

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CHAPTER 1: METHODOLOGICAL ORIENTATION

1.1 INTRODUCTION

Educational reform in South Africa has been highlighted by the introduction of the South African Schools Act, Act 84 of 1996. The South African Schools Act makes provision for the establishment of School Governing Bodies (SGBs) in all public schools in South Africa. It also prescribes the duties and responsibilities of the governing bodies. Lemmer and Van Wyk (1999:2) identified the duties and responsibilities of SGBs as follows:

- ❑ Policy matters
- ❑ School organization
- ❑ Student affairs
- ❑ Staff matters
- ❑ Building and facilities
- ❑ Parent and community involvement

The above-mentioned duties and responsibilities of the SGBs indicate that the government acknowledges the right of parents to be involved in the governance of schools.

Section 36 of the South African Schools Act deals with the tasks of the SGB of a school, particularly in relation to finance, which is the focus of this study.

Oosthuizen (2003:207) summarized the financial tasks of the SGB as follows:

- ❑ To obtain additional funds to improve the quality of education in the school.
- ❑ To determine the amount of school fees to be paid by parents.
- ❑ To establish and maintain a bank account for school fees.
- ❑ To draft a budget.
- ❑ To have the budget and estimated school fees approved by a meeting of parents.
- ❑ To prepare financial statements.

Furthermore, the SGB may buy, sell, hire or own property, enter into contracts, make investments, and sue or be sued (Mestry 2004:127). The school performs all the above-mentioned financial tasks through its SGB, that is, the SGB acts on behalf of the school. Although the Department of Education provides training for SGBs in financial management, financial problems in many schools have not abated (Mestry 2004:126). This investigation is focused on the financial problems experienced by SGBs in public schools.

1.2 RATIONALE FOR THE STUDY

There are SGBs that have little knowledge of the contents of the South African Schools Act of 1996. They sometimes simply interpret it incorrectly

and this has led to many schools experiencing financial problems. This is also the view point of Walters and Richardson (1997:14) who maintain that: *“The problem with schools is that most of the parents are not very highly educated and there are so many complex issues for governors to decide. Most of the parents become governors because they want to be good mums and support the school. They really don’t understand what is involved. This is why the head has to do everything”*

In order to solve the problem alluded to in the above statements; the SGBs delegate financial tasks to the principal and hold the principal accountable. The reason for delegating financial tasks from the SGB to the principal is that the principal is generally better informed with regard to financial management than the SGB. The danger in this is that the principal may use this opportunity to pursue his or her own objectives at the expense of the school. This implies that the principal is in a position of wielding power when the members of the SGB are either illiterate or have insufficient knowledge when dealing with school financial matters (Mestry 2004:127-128).

This state of affairs may result in principals being involved in wrong financial practices such as signing cheques in advance, paying with hard cash, making loans from school funds, signing hiring contracts, selling state properties and accepting money without the issuing of receipts. As a result principals may become victims of mismanagement for misappropriation of

funds in the form of embezzlement, fraud and theft. The above-mentioned information has provided the stimulus for the researcher to undertake this study.

The investigator attended a SGB training session as an observer in 2003. The training proved to be general and was presented via the medium of English. Most SGB members only attended the training for a period of three days and finance was not dealt with in detail. The investigator therefore decided to conduct research on the SGB and finance.

1.3 PROBLEM FORMULATION

Based on the background given, the study will attempt to identify the problems experienced by SGBs in the execution of their financial management task in schools. The broad research question can be formulated as such:

“What problems do School Governing Bodies (SGBs) experience in the execution of their financial management tasks?”

1.4 SUB – PROBLEMS

- What does a literature review reveal regarding the role of SGBs in financial management?
- How do SGBs manage finances in schools in the Ramotse Area?

- What are the problems encountered by SGBs in regard to financial management in the Ramotse Area?
- What recommendations for SGBs can be made in terms of financial management?

The aims of the study are based upon these sub-problems.

1.5 AIMS OF THE STUDY

The research is aimed at investigating strategies used by SGBs to manage their finances and problems encountered in this regard. In particular this study aims to:

- a) Review the existing body of literature regarding the financial management task of SGBs.
- b) Explore the practice of SGBs pertaining to the financial management of schools in the Ramotse Area.
- c) Suggest ways in which the problems encountered by SGBs in financial management can be dealt with.

1.6 PRELIMINARY LITERATURE REVIEW

De Vos, Strydom, Fouche & Delport (1998:178) contends that the prospective researcher can only hope to undertake meaningful research if he is fully up to date with existing knowledge of his prospective subject. This implies that the

researcher is compelled to undertake a review of the literature.

There are a number of researchers who have investigated aspects of the functioning of SGBs. Sibuyi (1997) for example, explored parental involvement in the governance in the Northern Province (Limpopo). The focus was on how parents could be involved in the governance of schools and how a good relationship between educators and parents could be maintained.

Furthermore, Marishane & Botha (2004) examined the effect of decentralized financial control of SGBs. Interviews with a number of SGBs indicated that there was a lack of financial knowledge, hence a need for training.

The study by Marishane & Botha (2004:98) also indicated that in order for all school-based financial managers to contribute to improving school efficiency and effectiveness, they needed training in such matters as forecasting, purchasing and monitoring (Audit Commission 2000:23).

This dissertation will focus on the problems encountered by School Governing Bodies (SGBs) in executing their financial tasks in the schools around the Ramotse Area of the Hammanskraal District.

1.7 DEFINITION OF KEY CONCEPTS

1.7.1. School Governance

Potgieter, Visser, Van der Bank, Mothata & Squelch (1997:11) regard school governance as an act of determining policy and rules by which a school is to be organized and controlled. It includes ensuring that such rules and policies are carried out effectively in terms of the law and the budget of the school. On the other hand Buckland & Hofmeyer (1993:30) defined governance as not simply the system of administration and control of education in a country, but the whole process by which education policies are formulated, adopted, implemented and monitored. Governance is an issue not only at national level, but also at every level of the system down to the individual school. Because it is centrally concerned with the distribution of power, it is often summed up to be the question: who decides?

1.7.2. School Governing Body

According to Section 23(1) of the South African Schools Act, Act 84 of 1996, the governing body of an ordinary public school should comprise of:

- ❑ Elected parents of learners at the school
- ❑ Elected educators at the school
- ❑ Learners in the eighth grade or higher at the school
- ❑ The school principal, who acts as an ex-officio member.

This implies that the SGB consists of parents, educators, learners and the school principal.

1.7.3. School Finance

According to Section 37 of the South African Schools Act, Act 84 of 1996, school finance is derived from school fees, voluntary contributions or donations and funds from the State. In this study school finance refers to how the money is collected, controlled and utilized to realize school objectives.

1.8 **RESEARCH DESIGN AND METHODOLOGY**

In order to describe the financial problems encountered by the SGB, empirical research will be conducted. The researcher will use qualitative techniques to collect data.

1.8.1. Qualitative Research

Qualitative research is defined by Bogdan & Biklen (2003:261) as “an approach to social science that emphasizes understanding the subject’s point of view.” This definition implies that the researcher may gather data in the form of words from people in their actual settings. In this study the researcher will attempt to gather information from SGB members and school managers. The researcher will talk to participants and get to know their thoughts and feelings about the financial problems they may be encountering at school.

1.8.2. Phenomenological Approach

The approach to be employed in this study can be regarded as a phenomenological approach. Dooley (1995:350) define phenomenology as a philosophical perspective that emphasizes the discovery of meaning from the point of view of the group or individuals. The researcher will be concerned with the understanding of the point of view of the participants. The phenomenological approach will be used in this study to allow the SGB members and school managers to state their own views, opinions, thoughts and ideas concerning financial problems.

1.8.3. Interviews

In this study interviews will be employed. McMillan and Schumacher (2001:443) maintain that a qualitative interview comprises open response questions to obtain data pertaining to the meaning participants attach to how individuals conceive of their world and how they explain or make sense of the important events in their lives. The purpose of an interview is to obtain information concerning facts, beliefs, feelings and intentions of the participants. The researcher chooses to employ an interview because of its flexibility, greater completion rate and its potential to obtain information from participants who cannot read or understand a written questionnaire (Ary, Jacobs & Razavich 1990:418).

1.8.4. Sampling

Sample selection in qualitative research is usually non-random, purposeful and small as opposed to the larger, more random sampling of quantitative research. In this study purposeful sampling will be employed. In purposive sampling people are chosen, as the name implies, for a particular purpose (Leedy & Ormrod 2001:219). This implies that these samples are chosen because they are likely to be knowledgeable and informative

about the phenomena the researcher is investigating. During this research member of the SGB (chairpersons) and school managers will be interviewed. This will be discussed in more detail in Chapter 3.

1.9 DEMARCATIION OF THE RESEARCH

- ❑ The research on problems experienced by SGBs in regard to their financial management task is restricted to schools in the Ramotse Area. Ramotse constitutes the north-eastern section of Hammanskraal, a semi-rural section of the Tshwane Metropolitan Area.
- ❑ Ramotse schools have been the choice of research because it is where the researcher works.
- ❑ As indicated elsewhere (see section 1.7.2), a SGB includes a wide variety of stakeholders (parents, learners, educators, and school managers). In this research, the focus will mainly be on school managers and chairpersons who are members of the SGB.
- ❑ The schools involved in the research are primary schools in the Ramotse Area and will for ethical reasons, only be referred to as School A, School B, School C and School D.

School A

School A has 28 educators of whom 7 are males and 21 females. The school has approximately 1120 learners. The school is situated 10 kilometers from

School B. A male educator heads the school.

School B

School B has 12 educators of whom 2 are males and 10 females. A female principal heads the school. The school has 560 learners.

School C

School C has 14 educators of whom 4 are males and 10 are females. The school has 650 learners and is headed by a female principal.

School D

School D has 10 educators of whom 3 are males and 7 are females. A male principal heads the school. The school has 500 learners.

1.10 CHAPTER DIVISION

- Chapter one deals with the background of and rationale for the study.
The problem statement, sub-problems, the aims/objectives of the research, research methods, demarcation and chapter divisions are discussed.
- Chapter two contains the literature review. Amongst other things, the role of the SGBs in the financial management of a school is surveyed and discussed. This include an overview of the applicable education law in terms of school governance relating to both finances and the role of

stakeholders involved in the various financial tasks of a SGB.

- Chapter three comprises a more detailed discussion of the research design and research methodology than offered in Chapter one.
- In Chapter four the findings of this research will be analyzed, interpreted and discussed.
- Chapter five constitutes an overview of the research and conclusions. Recommendations for further research are provided.

CHAPTER 2: LITERATURE REVIEW

2.1. INTRODUCTION

During the period of apartheid, South Africa's education system was less than perfect in many aspects. Amongst other things, South Africa has never had a truly national system of education and training. It had an education system that was fragmented – comprising of several education departments, which were meant to cater for the needs of the various ethnic groups. Apartheid education resulted in the emergence of a superior system of education for whites and an inferior one for the non-whites.

It is not surprising, therefore, that Sibusiso Bengu, the former Minister of Education was quoted by Sharon & Mark (1994:1) as saying that, in order for South Africa to be internationally competitive, and its education and training system should be compatible with those in the rest of the world. Thus, in order to realize this objective, two important Educational Acts were promulgated by the parliament of South Africa, namely South African Schools Act and National Norms and Standards. This was done, inter alia, to remove the inequalities in the education system of South Africa.

The two Acts gave expression to some of the ideals contained in the Constitution of the Republic of South Africa (Act 108 of 1996) according to which South Africa became a democracy. The main aim of the National Education Policy Act (Act 27 of 1996) was to achieve a single, united education system for South Africa.

2.2. EXPLANATION OF IMPORTANT CONCEPTS.

2.2.1 Financial Education Management

Odden & Picus (in Oosthuizen 2003:205) define financial education management as the distribution and use of money for the purpose of providing educational services and producing student achievement. This implies that the SGBs should use the money at their disposal for learners' achievement. Again Oosthuizen (2003:206) indicates that there is a difference between financial education management and conventional business management. The objective of conventional business management is profit while the objective of financial education management is educational training. In other words the school's profit is defined, not in terms of money, but as the achievement of learners.

In order for a school to manage its finances effectively and efficiently, a school finance policy must be developed, adopted by all the relevant stakeholders and implemented accordingly (Mestry 2004:1). The finance policy should clearly outline the duties and responsibilities of the treasurer, finance officer, auditor, finance committee, the principal and other persons to whom specific tasks are delegated. Furthermore, Bischoff & Mestry in Mestry (2004:12) indicates that the SGB needs to bear the following aspects, which constitute good financial management, in mind:

- ❑ All income due to the school should be identified and all collections should be receipted, recorded and banked promptly.
- ❑ The responsibility of the SGB, its committees (especially the financial committee), the principal and staff should be clearly defined and the limits of delegated authority should be clearly established.
- ❑ The budget should reflect the school's prioritised educational objectives.
- ❑ The school should establish and implement a sound internal financial control system.
- ❑ The school should control the use of petty cash.

The South African Schools Act, Act 84 of 1996, also prescribes how a school should manage its funds. It provides guidelines for the SGB and the principal on their roles and responsibilities in managing the finances of the school. These roles and responsibilities of SGBs will be dealt with in a subsequent section, (see section 2.4.2).

However, according to Mestry (2004:129) SGBs often encounter problems in managing the finances of schools. These problems include, inter alia, the drafting of a budget and financial statements, drafting of a financial policy, the control of finance and of petty cash.

In order to prevent these kinds of problems, SGBs should be provided with training in financial management. Financial management training is fundamental in preparing and equipping school managers and SGBs with financial skills.

This training should enable SGBs to be responsible and accountable for funds that have been received for the attainment of specific school objectives.

2.2.2 School Governance.

The Oxford Dictionary (1995:374) defines governance as “the role with authority; conduct the policy and affairs of the state”. In this study the focus is on the governance of schools, which implies that the SGB has the authority to conduct the policy and affairs of the school it is responsible for.

The South African Schools Act, (1996: 40 [Sec. 39 (2) b]) emphasises that fair rules and procedures must be made on how parents who are able to pay will be exempted (excused) from paying all or a part of the school fees. The Minister of Education will also make regulations on this issue which must be taken into account by the SGBs. Parents whose gross annual income is less than 30 times the annual school fees charged, fall within the exemption category and parents, whose gross annual income is less than 10 times the annual school fees charges, qualify for partial exemption (South African Schools Act, 1996:136 [Section. 39 (1)]). A person who has the responsibility of a parent placed in a foster home, foster care or a place of safety, qualify for full exemption (South African Schools Act, 1996:52 [Section 129]). The criteria for

allowing conditional exemption must be related to special circumstances affecting a parent's ability to pay the fee. The SGB can encourage all parents, including fee-exempt parents to render voluntary services to the school, or make a voluntary contribution to the school. Parents that are unhappy with the decision of the SGB have the right to appeal to the Member of Executive Council for Education (South African Schools Act, 1996: 18[Section 39]).

During a parent's general meeting any resolution that proposes fee payment must include the amount of fees to be charged, equitable criteria and procedures for the total, partial or conditional exemption of parents who are unable to pay fees (South African Schools Act, (1996:12 [Section. 39(2)]). In decision-making, the SGB must take into account, as far as is practicable, the financial circumstances of the parents. If the parents at a meeting decide to charge annual school fees, certain criteria for exemption from fee paying must be taken into consideration before any firm decision is made.

At the same time Section 41 of the South African Schools Act (1996:18) determines that if a parent refuses or fails to pay school fees or a part thereof, the necessary steps must be taken. The SGBs has the right to use legal procedures (to obtain a court order) to force the non-paying parent to pay. In most instances this

implies that the SGB will be compelled to acquire the services of an attorney to institute proceedings against a non-paying parent.

Section 34(1) of the South African Schools Act (1996:27) emphasise that the state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the right of learners to education and to redress the inequalities in education provision of the past.

The adoption of the South African Schools Act, Act 84 of 1996, resulted in the introduction of democratically elected SGBs in South African schools. These bodies were given far more responsibility than the school committees, which had governed schools before the dawn of democracy in 1994. As statutory bodies, these SGBs ensure the participation of parents, educators and other staff members, principals, learners and co-opted members.

SGBs supplement state funds to improve education at school level, either through school fees or other forms of fund-raising (South African Schools Act 1996:17 [Section 36]). Therefore, SGBs function on behalf of the government and aim to provide educational services as efficiently as possible. In terms of Section 30 of the South African Schools Act (1996:26) an SGB is allowed to

set up a finance committee and sub-committees such as fund-raising, tuck shop or a school fees committee. Some of the functions of the finance committee is to develop and implement a finance policy, to construct a budget and keep control of it, to monitor and improve all expenditure and to ensure that all procurement (purchasing of goods and services) is done through correct quotation and tendering procedures (Mestry 2004:126).

2.3 AN OVERVIEW OF EDUCATION LAW IN TERMS OF FINANCE.

According to Section 29 of the Constitution of the Republic of South Africa (1996(a):26 [Section 29]) “everyone has the right to education”. It also specifies that “everyone has the right to equal education”. Prior to 1994 education was segregated. Every racial group had its own educational system, administration and schools. Very little school choice existed and learners had to attend the school closest to their residence and the one designated to their racial group. New directions have been considered in white papers concerning education, which resulted in various laws. These include laws such as the South African Schools Act of 1996, and Norms and Standards for School Funding of 2000.

The South African Schools Act was passed in 1996. The aims of the South African Schools Act were to:

- ❑ amend and repeat certain laws relating to schools.
- ❑ provide a uniform system for the organisation, governance and funding of schools.

This Act applies to all public schools in the Republic of South Africa. Amongst other things, it stipulates that the state has the responsibility to provide sufficient information to public schools on an annual basis regarding funding, to enable public schools to prepare their budgets for the next financial year.

According to Section 21 of the South African Schools Act (1996:22) the State provides funds to public schools. It allocates a certain amount to all public schools based on the quintiles system (enrolment, urban and rural schools). The learners who are in rural areas, where electricity, water and other learning materials are scarce, are then allocated more money. The amount provided to schools is also determined by the number of the learners in a particular school. The higher the number of learners, the more money will be provided.

In terms of Section 35 of the South African Schools Act (1996:28), the Norms and Standards for School Funding of public schools were passed in

2000. The Norms and Standards for Funding apply to public and independent (private) schools.

The document, Norms and Standards for funding, deals with:

- ❑ The public funding of public schools.
- ❑ Exemption of parents who are unable to pay school fees.
- ❑ Public subsidies to independent schools.

According to the Norms and Standards for Funding of public schools, all public schools' SGBs are obliged to support their respective schools financially as best they can. Furthermore, the policy states that every person has the right to establish and register independent (private) schools. The State is prepared to subsidise independent schools if they satisfy certain criteria prescribed for the payment of a subsidy.

2.4 ROLE AND RESPONSIBILITIES OF SGBs

2.4.1 Establishment, membership and term of office.

The SGB of a public school is usually made up of different groups of people. According to the South African Schools Act, (1996:14

[Section 23]), the membership of a SGB should be as follows: members who are elected, co-opted members and parents.

Members who are elected consist of parents of learners at the school (excluding parents employed at that school), educators at the school, members of staff at the school who are not educators (such as the secretarial staff and those who work in the school garden) and learners who are in Grade eight or higher (Oosthuizen 2003:195). The principal should form part of the SGB as an ex-officio member.

Co-opted members are members who are voted by the community to become members of the SGB even if they are not having learners in that school. Co-opted members are there to assist the SGB with its functions but they do not have the right to vote. According to Section 23(7) of South African Schools Act (1996:24) the SGB of a public school may, for example, co-opt the owner of the property occupied by the school or nominate a representative of such owner.

The South African Schools Act (1996:25) states that there must be a majority of parents on the SGB. Section 23(9) indicates that “the number of parent members must comprise one more than the

combined total of other members of the SGB who have voting rights". If the parents' number falls below this, the SGB must temporarily co-opt parents with voting rights to attain a parent's majority of one (South African Schools Act 1996:25 [Section 23(10)]).

The membership of a SGB differs from one school to another. A school with a total number of 900 to 1100 learners should have 12 members. The higher the number of students, the bigger the size of the SGB.

A member of the SGB who is not a learner may not serve on the SGB for longer than three years, unless he/she is re-elected. An office-bearer of the SGB, for example, the Chairperson, Secretary or Treasurer, may not hold his/her position as office-bearer for longer than one year, unless re-elected (South African Schools Act, 1996:28) [Section 31]).

2.4.2 Major responsibilities of the SGB

Oosthuizen (2003:197) and the (South African Schools Act, 1996:31 [Section 21]) outlines the major responsibilities of a SGB as follows:

1. Promotes the best interest of the school.
2. Ensures the development of the school by providing quality education for all learners at the school.
3. Adopts a constitution.
4. Develops the mission statement of the school, which refers to what the school wants to achieve.
5. Supports the principal, educators and other staff in carrying out their professional functions.
6. Decides on school times, taking into account the employment provisions of staff members.
7. Controls and maintains school property, buildings and grounds.
8. Encourages parents, learners, educators and other staff to render work willingly for the school.
9. Recommends and advises the Provincial Head and Department of Education on the appointment of educators and non-educator staff.
10. Decides on the extra-mural curriculum to be followed after school hours.
11. Decides on choice of subjects according to the provincial curriculum policy.
12. Buys textbooks, educational materials or equipments for the school.

13. Tries to add to the funds supplied by the State to improve the quality of education in the school.
14. Administers school funds.
15. Opens and maintains a bank account for the school.
16. Prepares the annual budget by planning the school finances for the following year.
17. Submits the budget to parents.
18. Ensures that school fees (school funds to be paid by the parents of the learners) are collected according to decisions made by stakeholders.
19. Keeps the financial records of the school.
20. Meets and consults with parents, learners and educators where required by the South African Schools Act.

The investigator intends dealing with the financial responsibilities of the SGB (numbered 7 and 12 to 20 above), which will be discussed in more detail under the heading “financial responsibilities” (see section 2.4.4). The next section will deal with the training of the SGB.

2.4.3 Training of the SGB

According to the South African Schools Act (1996:11[Section 19]) the Provincial Legislature (the Provincial Department of Education)

must establish a programme to provide introductory training for newly elected SGB members to enable them to perform their functions. The Provincial Head of Department must also provide continued training to SGBs, not only to promote the effective performance of their functions, but also to enable them to assume additional functions. After the election of the SGB, there must be training intervention. The SGB's responsibilities should be highlighted during their training.

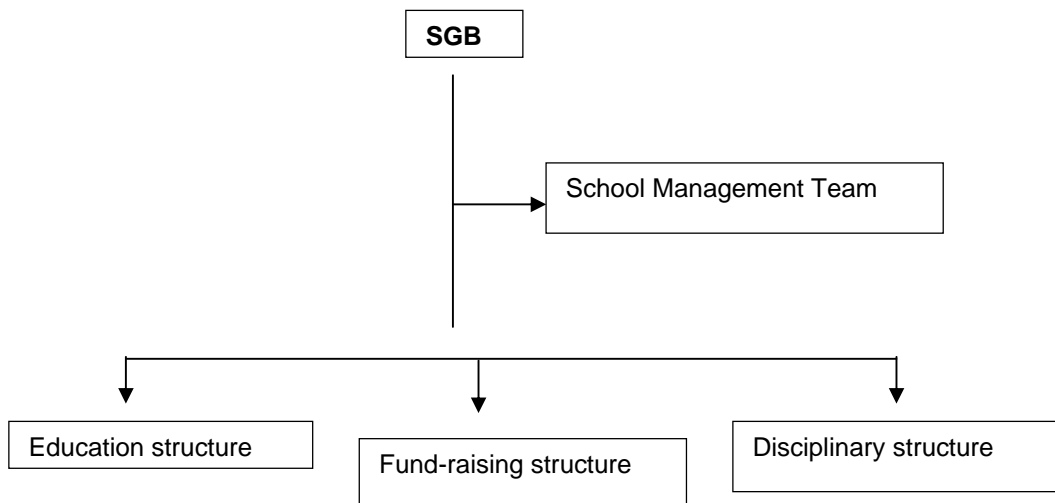
SGB members should have skills to deal with the finance of the school. The Gauteng Education Act (1995:9) maintains that members of an SGB, who do not have the required skills to perform their functions, will not be able to complete their work effectively. The training itself should provide sufficient knowledge for the SGB members to acquire the ability and responsibility to handle the functions allocated to it by the South African Schools Act.

The orientation training should help the SGBs how to form structures, for example a fund-raising structure, to make sure that they are involved in the school. The SGB has to make sure that the structure has duties to perform.

For the SGB to work smoothly with the structure that has been established, the structure should:

- ❑ Be given specific activities and functions.
- ❑ Report regularly and be accountable to the SGB.
- ❑ Understand what the other structures are doing so as to avoid duplication and a confusion of roles.
- ❑ Support each other and not fight over SGB resources. They must be aware of the priorities of the school at all times.
- ❑ Have a Chairperson who is a member of the SGB and who will direct, guide and report on its activities (Oosthuizen 2003:145).

FIGURE 1: HOW THE SUBSTRUCTURES LINK



The SGB has the right to control the structures in the school. Therefore the training should help the SGB to have different skills to manage different structures highlighted by the Gauteng Education

Act (1995:9). For example, the Chairperson must call and chair meetings and see that meetings are run in an orderly manner and that minutes are signed. The Chairperson must sign any agreement the structure enters into and act as signatory on behalf of the SGB. The Chairperson must represent the structure in dealing with the Department of Education or outside agencies.

The Chairperson must ensure that the members of the specific structure do their jobs, follow the rules and deliver the annual report to the Annual Meeting.

The Secretary must take and keep accurate minutes of all meetings indicating the dates and time of meetings held. The Secretary must know how to draw up an agenda and how to inform members of meetings. The Secretary must keep copies of all correspondence, assist the Chairperson in organising meetings and act as a signatory on the his behalf if required (Department of Education 2003:126).

The Treasurer must keep all financial records and make all payments. The treasurer must handle all money receipts and give simple reports of income and expenses at meetings when requested. The Treasurer must submit annual financial reports and

operate a savings account and act as a second signatory. During their training members of the SGB must be grouped according to their portfolio (Department of Education 2003:128).

The other members of the SGB must attend meetings, prepare for and participate fully in the meeting. Members of the SGB must support the decisions taken and carry out any specific task that they have been assigned, give full reports on their activities and be active in communicating with and working for the association (Department of Education 2003:129).

After the training the SGB must direct, encourage, inspire and assist the school community to work together in a willing and motivated way to meet objectives and to develop their school. The SGB has to create confidence and respect in the school by setting a good example, being fair and impartial, keeping promises, making correct and prompt decisions, being approachable and consistent, acknowledging efforts of others and communicating openly and regularly with other stakeholders.

According to the Gauteng Education Act (1997:111) the members of SBGs should build a good relationship amongst them and promote team cohesion. It will become easier for governors to

share opinions, make decisions and resolve conflict in a positive manner if they work as a team. The SGB must hold regular meetings to build an effective team.

The training should show the SGB how to build positive relationships with other parents and community members. The SGB must communicate with parents and the community on a regular basis (Gauteng Education Act 1997:34). The SGB must deal with problems such as a shortage of books, unpaid school fees and absenteeism from school.

2.4.4 Financial Responsibilities.

2.4.4.1 Budget

A budget is a management tool or mechanism by means of which the management team of the school can estimate and plan, utilise and co-ordinate, control and evaluate the human material and other resources of the school in financial terms. The school has the function of providing a foundation for planning and implementing a financial strategy for the school as well as providing an operational cost-time framework for the implementation of school programmes. Discipline is an important principle of budgeting (Neumann 1997;

Odden & Picus in Oosthuizen 2003:300). Therefore, when dealing with the budget, the elements of the budget such as income, cost, assets and liabilities should be reflected.

When drawing up the annual budget the school manager and the financial committee must consider the following as highlighted by Bisschoff (2002:67):

“A budget can be used for a range of purposes:

- ❑ Assisting systematic planning
- ❑ Qualifying objectives and identifying priorities
- ❑ Co-ordinating activities and communicating plans within the organisation.
- ❑ Motivating and increasing the accountability of middle management.
- ❑ Authorising expenditure and activities.
- ❑ Controlling, monitoring and analysing expenditure.
- ❑ Evaluating performance, end of financial year, budget objectives, budget setting, and budget implementation as part of monitoring.”

The above information gives guidelines regarding the budget and trainers must put more emphasis on budgeting to make sure that the SGB understands the purpose of drawing up a budget. It is imperative that the staff should be involved in preparing the budget. Where members of the teaching staff are not involved in drawing up the budget, problems may arise, such as interruptions in the teaching programme as a result of insufficient quantities having been ordered and redundancy of stock items that were incorrectly ordered (Rothman 1996:37).

The school should have sources of income such as:

- ❑ School fees
- ❑ Contributions from private institutions
- ❑ Interest on trust funds
- ❑ Letting of facilities
- ❑ Donations
- ❑ State subsidies (Buchel 1992:202)

The income of the school should be well spent and schools must market themselves. Before any activity in the school can be undertaken, the budget committee must make an estimation of costs (Oosthuizen 2003:214).

Expenditure is determined by the estimated income. Problems usually arise with expenditure as a result of unrealistic demands made by sections or departments. Therefore, the SGB has the important task of convincing people to be realistic and establishing priorities. The school needs to prioritise the needs and co-operate in framing the budget and fixing priorities (Oosthuizen 2003:215).

An assets register should be submitted with the books for auditing, although it does not really form part of a budget. Assets can be divided as follows:

- ❑ Fixed assets that cannot be converted into cash. Examples are machinery and vehicles. A school bus may have a service life of ten years. The value of the school bus is shown annually as a fixed asset but depreciates at, say, 10% per year.
- ❑ Current assets are more temporary and fluctuate from day to day. Examples of current assets are goods purchased for resale and cash in the bank (Oosthuizen 2003:215).

Liabilities consist of:

- ❑ Long-term liabilities such as liabilities repayable over a long period, such as loans.
- ❑ Current liabilities, which are repayable over a shorter term, such as creditors, overdraft facilities and negotiable instruments (Oosthuizen 2003:215).

According to Berkhout & Berkhout (1992:86) the various types of budgets are as follows: Operating budget, Activity budget, Capital budget, Project budget and Personnel budget.

These types of budget cover the day-to-day operations of keeping the school's programme on track. It includes things such as material services, stationery and repairs. The Activity budget covers the various activities (curricular and extra curricular) or programmes that the school offers. The Capital budget covers the purchase of certain assets for the school such as sports equipment, gardening equipment and transport. This sub-budget covers larger projects that are planned by the school such as building a tennis court and painting the school building. The salaries of educators are the responsibility of the education authority, but the school may budget for certain expenditures on the personnel such as attending courses and transportation costs.

Marishane & Botha (2004:108) in their research highlighted the required planning of a budget where an understanding of the programmes and functions of each committee or team in the school is needed so that an allocation can be made in accordance with the unique educational needs of each committee.

The next paragraph will deal with monitoring and control of the school budget.

2.4.4.2 Monitoring and control of the school budget.

Monitoring the budget is the continuous process that goes on throughout the year. It involves keeping a check on the difference between the planned financial status of a school at a given time and the actual financial status at the time (Glover 1996:3). Monitoring the budget involves checking expenditures against the budget allocations; checking if resources are mobilised effectively; and evaluating and re-organising if and where necessary.

Monitoring of the budget also includes addressing small problems immediately; and noting if there is a surplus or deficit at the end of the year and whether there is any possibility of building resources. The SGB should control and check expenditure by means of

monthly statements, quarterly statements, the annual report and checking the availability of funds before agreeing to any expenditure.

Control measures should be implemented in respect of budgeting, expenditure, receipts, petty cash, bank reconciliation, investments, school funds, creditors, suppliers and movable and fixed property.

According to the South African Schools Act, (1996:18 [Section 42]) the management of schools must comply with certain criteria regarding the monitoring and control of financial resources. The SGBs, for example, have to comply with all the requirements that relate to the planning and organisation of the financial functions. The chairperson of a SGB must ensure that each person in the school, who performs financial functions, carries out the right function at the right place and time. In order to succeed at financial control the Treasurer of the Financial Committee must have financial knowledge and skills. More especially the SGB must at least be knowledgeable about the procedures for regular reporting and regular balancing of books, regular and punctual maintenance of all records, documentation, books and regular stocktaking and prescribed audit inspection (Oosthuizen 2003:216).

The South African Schools Act (1996:19[Section 42]) further states that the SGB of a public school must:

- keep record of funds received and spent by the public school and of its assets, liabilities and financial transactions and as soon as practicable, but not later than three months after the end of each financial year, draw up annual financial statements in accordance with the guidelines determined by the Member of the Executive Council of Education in the Province.

If the school manager, as an ex-officio member in the SGB and as an accounting officer, has too much checking work, he/she shall nominate (delegate) the deputy principal or one of schools' departmental head in writing to assist in the checking of all financial records and books. The SGB must ensure that all financial records are subject to checking at least once per week and the school manager must sign and take each record to indicate that checking has been executed. According to Marishane & Botha (2004:109) evaluation of the budget involves critical examination of the extent to which money allocated to various projects succeeded in achieving the objectives. This involves measuring the gains made against the initial overall budget of the school, time spent, effort made and human resources deployed.

2.4.4.3 Financial reporting and record-keeping

Schools or institutions handling funds that do not belong to them are accountable to the body that made the funds available. In an education context, public funds are involved and this entails a responsibility to account for those funds in a systematic and prescribed manner Gauteng Department of Education (1997:28). The South African Schools Act (1996:27[Section 43]) states that the SGB should appoint an independent, qualified person, who is not a member of the SGB or School Management Team (SMT), to audit the books annually. A school can use the following methods for reporting on financial matters:

- ❑ circulars to parents
- ❑ parents' evening
- ❑ the school newsletter.

Mbigi (1997:105) emphasises that internal reporting is the same as external reporting. Reporting should be in the form of rituals and ceremonies to celebrate performance breakthrough.

Effective financial school management can be done without a computer, but computers can ease the burden of routine tasks (Bisschoff 2002:144). Most public schools do not have access to computer especially in areas where there is no electricity and the SGB makes use of written statements. It is advisable to keep strict records which show clearly how income has been generated and spent. Such records are called income and expenditure statements. All invoices and receipts of expenditure have to be kept as proof of payment.

Potgieter et al (1997:50) maintain that it is the duty of the SGB to keep written records of everything that deals with the money or property of the school. All money that the school receives must be recorded in a financial statement or recorded onto a computer for the purposes of clear and transparent financial statements. All the debts of the school must also appear in the financial record. A special register in which all the property, which belongs to the school is recorded, must be kept. If the school buys or receives something new, it must be entered onto the records immediately.

The next paragraph elaborates on how to take care of stock and equipment:

2.4.4.4 Care of stock and equipment

The financial situation in the country and the amount budgeted for each of the various provincial education departments makes it essential to manage stock and equipment carefully and effectively also at school level. The correct and careful management of stock and equipment is one of the most important administrative duties of the SGBs. According to Davidoff & Lazarus (1997:117) principals and their deputies have a major role to play in the management of resources. SGBs should be involved in the maintenance of equipment such as books and equipment provided by the Department of Education.

Davidoff & Lazarus (1997:117) indicates that the central point to the successful management of resources in a school is to identify the need for resources, obtain the resources and to create an effective stocktaking system. The school has to secure, maintain and distribute resources effectively and fairly.

According to Buchel (1992:173) equipment includes articles which will last a relatively long time. Examples of the equipment are furniture, sport, library, music, and art equipment. Teaching,

science and administrative equipment such as computers, photocopiers and telephones should be kept in a safe place or strongroom. Consumable goods such as papers, pens, and staples, chalk, cleaning materials, wood and fuel should be checked continually because they are used on a daily basis.

Buchel (1992:175) mentions that schools can acquire stock provided by the Department. The SGB should use school funds to purchase consumable stock. Items such as pencils, rubbers and sharpeners have to be purchased by parents themselves or purchased with money made available by the SGB. It is the duty of the SGB to plan the stock to be ordered for the following year well in advance.

According to Buchel (1992:174) the planning of stock includes the determination of amounts of items from the existing stock registers, making realistic estimates regarding the enrolment of learners for the next year while bearing in mind the pass and failure rate of the learners in the various grades, and using these two projections to estimate how many items need to be ordered.

The procedure for requisitioning, ordering and receiving the various stock items are usually set out in departmental guides. When

receiving stock and equipment the following requirements should receive attention:

- ❑ The goods received must be checked against the original purchase docket in order to ensure that the order has been delivered correctly and that correct quantities are received.
- ❑ The SGB should complete a logbook for all the deliveries.
- ❑ The goods received must be added to the appropriate inventory of the school stock (Buchel 1992:175).

According to Buchel (1992:121) the SGBs must design an organised system for the school that sets out clear procedures for ordering goods. Some suggestions in this regard:

- ❑ Teachers should order stock on forms designed for this purpose.
- ❑ No teacher or learner should be allowed to help him or herself to goods from the storerooms.
- ❑ Specific days should be specified for ordering stock.
- ❑ An inventory of classroom furniture should be completed and displayed in every classroom.

- When a teacher no longer requires a specific item issued to him/her, that item should be returned to the storeroom for safekeeping.

The SGB has to ensure that, for example, all furniture, equipment, stationery, books etcetera are kept in a safe place. The following measures should be taken into account:

- At the end of each term a work team of learners under supervision of an educator should visit all the classrooms to undertake small repairs to classroom furniture and do general maintenance.
- Desks, tables, shelves, equipment, tools and utensils should be kept clean, tidy and neat at all times.
- General stores must be protected against rodents, insects and sunlight.

The SGB has to follow certain procedures in handling books. These procedures could take the following form (Department of Education 1995:28):

- All prescribed books should be kept in a central storeroom.

- ❑ Learners should be taught how to handle new books in the correct way.
- ❑ Learners should sign for prescribed books issued to them.
- ❑ New books should be stamped correctly in the place where learners have to fill in their particulars.
- ❑ All books should be returned at the end of the year.
- ❑ Principals may also make the class teachers responsible for the books of their specific subjects and classes.
- ❑ If possible all books should be covered with plastic material.

According to Buchel (1992:186) the following procedures should be followed in order to carry out good procurement of stock:

- ❑ Make sure that a list of all school equipment is kept.
- ❑ Check consumable goods once a year to ensure that the actual quantities of stock balance with the record of stock in the stock register.
- ❑ Nominate one or two of the senior staff members to do the stocktaking.
- ❑ After the stocktaking has been completed, a stocktaking certificate should be sent to the regional office.

- The completed stock register and stocktaking certificate are used to check requisitions for the New Year against available stock.

The next paragraph will deal with obtaining additional funds.

2.4.4.5 Obtaining additional funds

The South African Schools Act (1996:22 [Section 36]) places the following important duty on the SGB of a school:

- Each SGB must make plans to obtain more money and additional facilities to improve the quality of education at the school.
- The SGB must take all reasonable steps within its means to supplement or add to the amount of money that the State can afford to give to a school.

The SGB may also consider other possibilities of dealing with fund-raising, for example, having hamburger or hot dog stands at events and selling items that learners produce during practical woodwork classes.

Buchel (1992:202) has identified the following methods of fund-raising:

- ❑ Bazaars, concerts, sales and other functions.
- ❑ Donations or bequests to the school fund.
- ❑ Contributions by or on behalf of each learner.
- ❑ Contributions by learners for special purposes which the parent body has approved.
- ❑ Other forms of school income include donations, bursaries and interest earned on bank accounts.

The SGB may approach people in business to sponsor items/events at the school or to pay for certain expenses. Members of the public or parents may be asked to donate money or items to the school. The SGB may for example organise a market, hold a concert or collect goods and sell them on behalf of the school. There are many ways in which to raise money and the SGB will have to use its skills and imagination to make a success of this task. It is advisable to set up a special committee on the SGB to deal with fundraising (Buchel 1992:176).

According to the South African Schools Act (1996:17 [Section 37(4)]) money or other goods donated or bequeathed to or received in trust

by a public school must be applied in accordance with the conditions for such donations, bequests or trusts.

Fund-raising should be done according to the needs of the local learners. Schools should organise fund- raising events in which learners can participate and buy items. It is not uncommon to find that learners buy bread, atchaar, chips, russians and cold drinks at school tuckshops since these are items that form part of their daily meals during breaks.

Fund-raising should form part of the audited financial report at the end of the year.

The next paragraph will deal with auditing of financial books.

2.4.4.6 Auditing

The SGB has to draw up financial statements every year. These must be drawn up as soon as possible but not later than three months after the end of each year. These statements must indicate how the money and other property of the school were used during a particular year.

The financial legislation states that it is not sufficient if the SGB merely draws up the financial statements or to have financial statements drawn up, as described above. The statements must also be given to a registered accountant or auditor to check whether they are in order. If no accountants and auditors are available, someone else may be appointed in terms of the South African Schools Act (1996:51 [Section 43]). The person must be qualified to act as an accounting officer and the SGB must approve the accounting officer on behalf of the Member of the Executive Council of Education in the Province.

The person appointed to check the financial records must be independent, in other words, must not be involved in any affairs or business of the school. The Member of the Executive Council of Education may at any time ask the Auditor-General to check the financial statements of the school if the Member of the Executive Council of Education thinks that it is necessary to do so. The SGB must submit the financial statements which have been properly checked within six months after the end of a particular year (in other words before 30 June of every year), to the Provincial Head of Department of Education. Stakeholders in education such as parents, educators, and donors of the school may ask for permission to be allowed to see the financial statements and the

financial records of the school. To show all their records will indicate that the school is open and transparent. (South African Schools Act 1996:51 [Section 43(5)]).

The next section will deal with stakeholders in the execution of the financial tasks of a SGB.

2.5 STAKEHOLDERS IN THE EXECUTION OF THE SGBs FINANCIAL TASK

2.5.1 The State

Education is a right. The State, as the Governing Body of the country, has the education of the citizens as one of its responsibilities. It carries out these responsibilities through the Department of Education and allocates a budget to this Department to ensure that these responsibilities are fulfilled. Each Province has its own Department of Education, and through the leadership of the Education Member of the Executive Council, respective provinces have to address the educational needs of their constituencies. The responsibilities of the State in education includes drafting and passing laws governing education in the country; allocation of a budget for education; ensuring that there are sufficient schools;

employing and paying the salaries and subsidising other service conditions of teachers; ensuring that enough teachers are trained by subsidising training institutions and empowering SGBs through training. According to the South African Schools Act (1996:42 [Section 34]) the State must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of past inequalities in education provision.

However, Marishane & Botha (2004:102) maintains that District officials lack the capacity to support and monitor schools in the area of financial management. They maintain that District offices need to invest in the establishment of a District-based financial management support structure that would be responsible for guiding, advising, supporting, monitoring and evaluating schools.

2.5.2 Parents

According to Martins (1997:8) principals of South African schools expressed the desire that parents must participate more actively in school activities with the aim of improving the standard of education. Recent legislation, such as South African Schools Act (1996:14 [Section: 23]) compels parents to participate in the governance of the schools. Other participation such as fund-

raising, assisting teachers with academic or extra-mural activities are voluntary and parents must be motivated and trained to participate actively. Bisschoff (2002:10) emphasises that principals should cultivate healthy relations on financial matters with the internal as well as external stakeholders and the community at large (parents and the private sector).

2.5.3 Learners

According to the South African Schools Act (1996:14[Section: 23(d)]) the learners should be represented in the School Governing Bodies (SGBs) especially learners in the eighth grade or higher at the school. Preferably the learners who are involved in the SGBs should be the chairperson of the Learner Representative Council and the secretary. The specific representatives will also depend on the size of the school. This study does not involve learners because the research was done in primary schools.

2.6 **CONCLUSION**

Beckmann (2000:8) points out that accountability follows the exercise of power, use of resources and implementation of policy. The demands of

both democracy and efficiency require some form of accountability in the school. The education service can work effectively and develop creatively only if stakeholders grasp their responsibilities and act accordingly. Schools are rife with problems emanating from a lack of parental accountability.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1. INTRODUCTION

The preceding chapter constitutes an important background to the investigation contained in this study. The literature review conducted in Chapter 2 provided a frame of reference for the research. This chapter sets out the research design, methodology and procedures of the investigation.

Mouton (2002:107) defines research design as a set of guidelines and instructions to be followed in addressing the research problems. This includes the aim of the research, the selection and the design of the particular method and participants and a consideration of trustworthiness. Furthermore, Mc Millan & Schumacher (1993:31) describes research design as the procedure to be followed for conducting the study, including then, from whom, and under what conditions the data will be obtained. It determines what methods are to be followed for data collection so as to elicit accurate answers to possible research questions.

3.2. NATURE OF THE EMPIRICAL INVESTIGATION.

In order to determine the financial management problems of SGBs, empirical research will be conducted. The investigator will operate within a qualitative

research paradigm. The study will also be approached from a phenomenological perspective.

3.2.1 Qualitative Research

Wainwright (1997:1) defines qualitative research as an attempt to obtain an in-depth understanding of the meanings and definitions of a situation presented by informants. Furthermore, Leedy & Ormrod (2011:151) maintain that the purpose of qualitative studies is to understand an experience from the participants' point of view. Qualitative methods will be used in this study to bring to the fore the attitudes, opinions and feelings of SGB members (SGB chairs and school managers as ex-officio members of SGB) concerning their financial management problems. Qualitative research will be used for the following reasons:

- ❑ It is descriptive, that is, data collected takes the form of words.
- ❑ It involves a holistic inquiry approach carried out in a natural setting.
- ❑ The researcher is the data gathering instrument.
- ❑ It studies data inductively.

In short, this implies that the researcher will collect data from

participants in the natural setting. In this case the natural setting is the schools in which the participants are involved. The participants' feelings, thoughts, ideas, attitudes and perceptions about financial management problems will be explored.

3.2.2 Phenomenological Approach

Dooley (1995:350) defines phenomenology as a philosophical perspective that emphasizes the discovery of meaning from the point of view of the studied group or individuals. The phenomenological approach enables the respondents to state their own minds, opinions, thoughts and ideas without manipulation or interference. In this study the researcher will also be concerned with understanding the point of view of the participants.

Through this approach the researcher will attempt to record the views, opinions, thoughts and ideas as far as their financial management problems are concerned of the selected school managers and SGB chairpersons. Through the use of this approach the researcher will be able to describe the experiences of SGB members as it is found in concrete situations in their every day world. For successful investigation, it is important that the investigator suspends all his preconceived ideas, beliefs and

habitual modes of thinking (Letshufi 1998:50). In the present research, the investigator will provisionally attempt to set aside his personal views, prejudices, philosophy of life and suppositions so as to allow the respondents to speak for themselves. Phenomenological research depends almost exclusively on interviews with a carefully selected sample of participant (Leedy & Ormrod 2001:153).

3.3 DATA COLLECTION TECHNIQUES

3.3.1 Literature review

The main purpose of a literature review is to relate previous research to the specific topic that is now under investigation (Mc Millan 1992:43) namely; problems encountered by school governing bodies in the execution of their financial management tasks. Creswell (1998:99) contends that the literature review in a research project has several purposes, namely:

- ❑ It shares the results of other studies that are closely related to the particular study that is undertaken, with the reader.
- ❑ It relates the investigation to the larger study that is undertaken on the top.

- It attempts to fill in gaps and extend other prior studies.
- It provides the framework within which the importance of the study is established.
- It serves as a benchmark for comparing the results of the study with findings from other studies (Mc Millan 1992:44).

The literature review will help the researcher to identify methodological techniques that have previously been used to research similar phenomenon as well as identify contradictory findings (Mc Millan 1992: 44). The literature review therefore allows the researcher to develop a theoretical or analytical framework that serves as a basis for the analysis and interpretation of the data that is collected during the course of the research project. The literature review in this research was conducted in a manner consistent with the methodological assumptions of qualitative research. It was used inductively and to some extent determined the questions asked by the researcher.

3.3.2 Focus group interview

According to De Vos et al (1998:314) the focus group interview is characterized by inviting a few participants to discuss a topic under the leadership of the researcher. Krueger (1994:6) regards the focus

group as a carefully planned discussion designed to obtain perceptions on a defined area of interest in a permissive non-threatening environment. According to Creswell (1998:124) care must be taken to encourage all participants to talk and to monitor individuals who may dominate the conversation. Focus group interview methods are not inherently superior to any other methods, except that they are more or less appropriate given a certain context. The advantage of a focus group interview is that the synergy of the group has the potential to uncover important constructs, which may be lost with individually generated data.

3.3.3 Sampling

Sample selection in qualitative research is usually non-random, purposeful and small as opposed to the larger, more random sampling of quantitative research. In this study purposeful sampling will be employed. In purposive sampling people are aware, as the name implies, of the particular purpose (Leedy & Ormrod 2001:219). This implies that the sample is chosen because they are likely to be knowledgeable and informative about the phenomena the researcher is investigating. In this research four school managers and four chairpersons of SGBs will be interviewed.

3.3.4 Selection of participants

In addition, the researcher was fortunate to find an equal number of males and females to take part in the study. Although not a requirement for the study, representatives with regard to gender can only enhance the trustworthiness of the findings. Since the academic background, gender and experience of the participants may possibly have a bearing on the interpretation of the expected data, the following information on the selected participants is provided.

Table 1: Academic background, gender and experience of the respondents interviewed.

	School A		School B		School C		School D	
Qualifications	SM	CH	SM	CH	SM	CH	SM	CH
	UDE(P) FDE BED(Hons)	Gr. 11	PTC SED B.Tech (Man)	Diploma in Public Admin	PTC FDE BED	Gr. 12	PTD SED HED	Gr. 10
Gender	Male	Female	Female	Female	Female	Male	Male	Male
Exp. In SGB	13 yrs	13 yrs	16 yrs	2 yrs	20 yrs	4 yrs	15 yrs	2 yrs

3.3.5 Contextualisation of the schools.

3.3.5.1 School A

School A is situated in a village called Ramotse near Babelegi Industries. The nearest town is Pretoria, which is approximately 45 kilometres from Ramotse. The school is situated in a semi-rural area where most people are unemployed. As a result, School A has most pupils under the care of unemployed parents. Most of the children in School A are orphans as a result of the high rate of parent mortality. The mortality rate is increasing presumably due to the lack of proper medical care in this poverty-stricken community. HIV/AIDS is yet another contributing factor. Most families consist of a very large number of members and a large number of the pupils' parents cannot afford to pay school fees.

The school has a total of 1120 learners of whom 258 are most needy. The school has 32 educators including the SMT. School A has 7 male and 25 female educators.

School A receives food from the government, which appears to be inadequate for the very needy learners. Although the school receives stationery from the government, parents still have to buy

additional stationery, which a large number of them cannot afford. There is no running water at the school. The school uses pit-hole toilets.

The school urgently requires renovation. It does not have an administration block. The SMT and administrators are using old offices, which were built in 1948. The school does not have modern equipment such as photocopiers and overhead projectors. Sporting facilities are not well equipped either.

3.3.5.2 School B

School B is situated 10 kilometers from School A. A female Principal heads the school. The school is situated in a rural area where large numbers of parents are unemployed. School B is attended by an unusual large number of orphans. The learners in School B are seriously affected by HIV/AIDS.

The school has a total of 560 learners and 12 educators. At least 200 of the learners can be regarded as most needy. There are only 2 male educators employed at the school.

The government has introduced a feeding scheme at this school.

However, it appears as though this scheme does not make adequate provision for the needs of all needy learners. Stationery is provided. Parents are however expected to purchase certain items. It appears as though a significant percentage of parents cannot afford this.

A large number of learners fail to pay school funds annually. The community of Ramotse is characterized by poverty. The school has to purchase water because the flow of natural water is very low.

The school was built in 2000 and it is a very attractive building. The school has an administration block including a school manager's office, offices for deputy principals and a staff room, reception room, a small kitchen and toilets for males and females.

The school does not have modern school equipment such as photocopiers or computers. The sporting facilities are not well equipped and boys are using the community playing ground for soccer practice and matches.

3.3.5.3 School C

School C is 10 kilometers east of School A. The school has 14 educators of which 4 are males and 10 females. The school has 650

learners and is headed by a female principal.

School C receives food from the government, which appears to be insufficient to properly feed the needy learners. The school has approximately 300 needy learners. A very large number of parents are unemployed. School C receives water from the Magalies Water Supply Company that is donated to the school.

The school needs renovation as well as a kitchen for preparing food in the school. There is a lack of equipment such as computers and office furniture.

3.3.5.4 School D

School D is situated 5 kilometers from School A, B and C. School D has 10 educators of which 3 are males and 7 females. A male principal heads the school. The school has 500 learners. Poverty and malnutrition are concepts with which learners in School D are not unfamiliar. A number of learners do not possess a school uniform. They also lack stationery. Very few of these learners succeed in paying their school fees.

The school does not have offices for the deputy principal or heads

of department and toilets are situated very far from the school buildings. Both teachers and learners use pit hole toilets. The sporting facilities need to be upgraded.

3.5.5 Access to respondents

The researcher will apply to the Area Project Office of Temba for permission to conduct the focus group interviews at the schools in the Ramotse Area as mentioned in Chapter one. The researcher will explain the purpose of the interview to set- up an atmosphere of acceptance and collaboration with all the participants.

Maykut & Morse (1994:71) stresses that in a qualitative research study, it is necessary to set up a situation in which the participants are willing to share in the focus of the study. The anonymity of all participants was ensured. A tape recorder will be used during interviews with the permission of the interviewees.

3.5.6 Field notes

According to Powney & Watts (1987:29) note taking can be difficult at the speed of normal discourse and can also impede the interviewer's concentration upon the flow of respondents'

responses. However field-note-taking is very important because the researcher is able to note down things such as the interviewees' anxiety which cannot be recorded by the tape recorder, the seating arrangement, the order in which people speak and the non-verbal behaviour such as eye contact and posture.

The main purpose of field notes is to explain certain things, which the tape recorder cannot record. The researcher should try to be as objective as possible when conducting interviews. All notes should be explained later, preferably the same day, because the ability to remember the details needed for field notes declines rapidly. In recording details one should strive for accuracy and avoid being judgmental. Field & Morse (1994:135) indicates that field notes are a written account of what the researcher hears sees experiences and thinks in the course of collecting or reflecting on the data obtained during the study. In this study the researcher will also employ field notes and deliberately attempt to take into account the characteristics of field notes as explained above.

3.4. ETHICAL CONSIDERATIONS

The ethical considerations which the investigator needs to take into account are the following: informed consent, approval, confidentiality, anonymity,

feedback and honesty.

3.4.1 Informed consent

Mc Millan & Schumacher (2001:197) indicate that “informed consent is achieved by providing subjects with an explanation of the research and an opportunity to terminate their participation at any time with no penalty as well as full disclosure of any risks associated with the study”. Consent is usually obtained by asking participants to sign a form that indicates an understanding of the research and consent to participate.

The nature of this study will be explained to research participants and they will be given the choice of either participating or withdrawing.

3.4.2 Approval

The investigator will obtain approval for conducting the research from the District Officials of Education before any data is collected.

3.4.3 Confidentiality

Information obtained about the participants will be kept confidential unless otherwise agreed upon in advance, through informed consent. This implies that no one has access to the original data except the researcher.

3.4.4 Anonymity

The investigator will give each participant a code number and label all written documents with that code number rather than with the person's name. The researcher will ensure that no one will be able to identify the participants once the study is terminated.

3.4.5 Feedback

The investigator will provide subjects, if any are interested, with the opportunity to receive the results of the study in which they have participated.

3.4.6 Honesty

The investigator will report the findings in a complete and honest

fashion without misrepresenting what is done, or intentionally mislead anyone as to the nature of the findings. Under no circumstances will the researcher fabricate data to support a particular conclusion.

3.5 INTERVIEW SCHEDULE

The researcher intends to employ a pilot study and then conduct semi-structured, focus group interviews. According to Singleton, Straits & Straits (1988:290), the pre-testing of a measuring instrument consisting of “trying it out on a small number of persons having characteristics similar to those of the target group of the respondents” is essential. The researcher’s pilot study will provide the basis for the themes which will be included in the final interview schedule. Thereafter the semi-structured interviews will follow; one with four chairs of SGBs and one with four school managers.

3.6. CONDUCTING THE INTERVIEWS

The investigator plans the following in arranging and conducting the interview:

- ❑ The investigator will make an appointment with participants.
- ❑ Participants will be interviewed after working hours.
- ❑ The location for the interview will be in the staff room of one of the

schools selected for the investigation.

- ❑ At the beginning of the interview the purpose of the study will be explained to the participants and their cooperation will be requested.
- ❑ Each participant will be treated with respect.
- ❑ The first few minutes of the interview may be spent on small talk to establish rapport.

The researcher will use the semi-structured interview schedule referred to above, to provide direction and to ensure that the working and the sequence of questions will be the same in both focus group interviews.

The investigator will make sure that he does not put words into the participants' mouths. The investigator will attempt to be a good listener and let the participants say what they want to say in the way they want to say it. The investigator will deliberately keep reactions to him, attempting not to show surprise or disapproval of what the respondents say. The information from the participants will be electronically recorded and later transcribed *verbatim*. At the end of the interview the investigator will thank the respondents.

To ensure the vigor of the research, measures of trustworthiness will be applied.

3.7 TRUSTWORTHINESS

According to Poggenpoel (1998:348) the concepts “reliability” and “validity” relate to quantitative research, and a different terminology appropriate to qualitative research is needed. In this regard Poggenpoel (1998:348-351) proposes Guba's model of ensuring the trustworthiness of qualitative data. Truth value, applicability, consistency and neutrality are the four criteria suggested by Guba.

3.7.1 Truth Value

Truth value implies that the researcher can confidently consider the findings related to the participants and the context in which the study was undertaken, to be truthful (Poggenpoel 1998:348). The researcher has to establish a correlation between the verbal accounts of the participants and the analysis of the study. This determines whether the information gathered from the participants can be considered as truthful. Verbal accounts of the participants should be quoted extensively in the study in order to confirm the researcher's analysis and contribute to its credibility (Adler & Adler 1998:88). The verbatim accounts of the participants will allow the researcher to acquire an understanding of the response in totality

(Bogdan & Biklen 2003:190).

3.7.2 Applicability

Applicability of findings can be assessed by its transferability to other contexts or settings. If the research presents sufficient descriptive data to allow for comparison, applicability would be ensured. However, in this study participants are unique and their views are divested. Thus, the researcher will focus on describing the phenomenon to be studied and the need to generalize will not be relevant.

3.7.3 Consistency

Consistency refers to whether the findings would be consistent if the investigation would be replicated with the same subject or in a similar context. This would depend on another researcher's findings when he/she replicates the study. Thus, if the participants hold the same opinion, the findings will not be altered (Poggenpoel 1998:350).

3.7.4 Neutrality

Neutrality refers to the freedom of bias in the research procedure

and result (Poggenpoel 1998:350). The researcher has to select the participants in such a way to avoid choosing participants with whom the researcher may be familiar. The questions to be posed to participants should be carefully formulated in order to reduce bias (Cohen & Manion 1994:282). The researcher has to try to remain objective throughout, while conducting the interview, analysing the data and presenting the findings. During the interview session, the researcher should give the participants no indication, verbally or through non-verbal gestures that he is surprised or agrees or disagrees with their responses. However total objectivity cannot be achieved (Smaling 1995:22) as the researcher realized that he has to respond to the participants in an empathetic manner during the interview, since the nature of the data collection involves interaction between the researcher and the participants. However solely focusing on the data will help the researcher to be free of any bias when he analyse data and presents the findings.

3.8 THE RESEARCHER AS AN INSTRUMENT

The researcher is directly involved in the setting, interacts with the people, and is the “instrument”. As such no qualitative report can exclude the researchers own perspective, and consideration should be given to how that might have shaped events and interpretations. Marshall & Rossouw

(1995:126) maintain that the extent to which the researcher planned his participation in the study or outlined his role should determine the extent to which his own perceptions will be reflected in the report.

Creswell (1998:180) suggests that the researcher can utilize different strategies to convey his position. The researcher may want to disclose in the report his biases, value and context, all of which may have shaped the narrative, or he can be 'present' in the report through devices such as an epilogue, reflective footnote or commentaries or include a section in the report on the role of the researcher.

3.9 TRIANGULATION

Triangulation is a powerful strategy for enhancing the quality of the research, particularly credibility. Krefting (1990:219) posits that central to the credibility of qualitative research is the ability of informants to recognize their experiences in the research findings. One of the most important ways to improve the trustworthiness of qualitative research findings is by means of triangulation.

Mc Millan (1992:223) said that triangulation is a technique that attempts to arrive at the same findings by using at least three independent methods, for example, observation, document review and focus group interviews. If the

results of several methods of collecting data agree, the findings can be judged as being credible and valuable (Best & Kahn 1993:203).

In this study several data collection techniques were used, namely document review, focus group interviews and field notes. It is important to note that triangulation does not lead the researcher to one specific point of “truth” where the lines of triangulation converge.

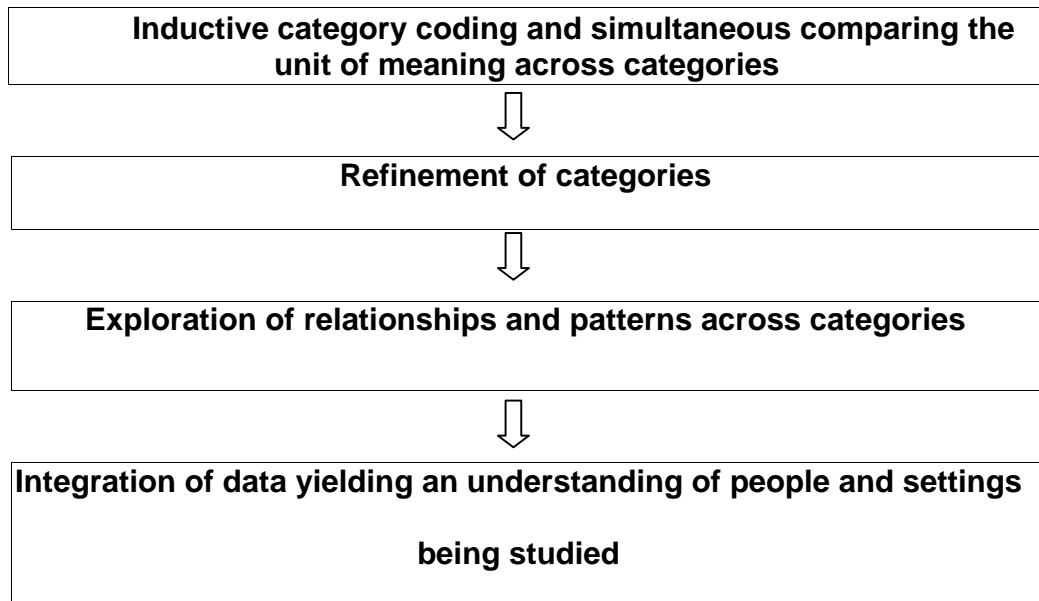
3.10 DATA ANALYSIS

According to Maykut & Morse (1994:126) the researcher understands more about the phenomena being investigated if the constant comparative method of data analysis is used. It also allows the researcher to focus on the participant’s feelings, thoughts and actions related to the focus of the study. The constant comparative method begins with an inductive category coding and a simultaneous comparison of all units of meaning across categories.

This integration of data allows for an understanding of the perceptions of the participants regarding, in the case of this study, the problems encountered by SGBs in the execution of their financial management tasks.

The constant comparative method of data analysis can schematically be

presented as follows:



In a qualitative research study, data collection and data processing are on-going activities. According to Strauss & Corbin (1990:22) the researcher needs to select and interpret data and weave all data into a rich descriptive narrative.

In this study data comprises the responses of each participant interviewed in School A, B, C and D. The data analysis process will be done according to the steps described by Maykut & Morse (1994: 135). The steps, if followed well, strengthen the trustworthiness of the data.

The protocol for data analysis in the constant comparative method, which will be used in this research study can also be outlined and discussed as follows:

- ❑ The interview is conducted and is recorded verbatim immediately after the interview.
- ❑ The typed interviews will then repeatedly be studied in order to identify units of meaning relevant to the research questions and topic.
- ❑ Thereafter provisional categories and sub-categories will be identified. The phenomenon represented by a category will be given a conceptual name.
- ❑ Categories will then be refined and the researcher will be required to make a list of key items (main problems encountered, words and phrases).
- ❑ At that stage the researcher will have to do a literature check to ascertain that the respondents' responses during the interview bear similarities to the research topic. This can be regarded as a final check for aspects of trustworthiness.

3.11 CONCLUSION

In this chapter an attempt has been made to explain the research methods and techniques that will be used to collect and interpret data in this research study. The qualitative research method is regarded as the best method that the researcher can use to find measures to the researcher problems mentioned in Chapter 1. In addition to the method of data collection, the

data was discussed and the measures to ensure trustworthiness, as well as the ethics of a qualitative study were explained.

The following chapter will comprise of analysis, interpretation and discussion of data.

CHAPTER 4: INTERPRETATION OF DATA

4.1 INTRODUCTION

The Schools Act 84 of 1996 prescribes how a school should manage its funds. It also provides guidelines for the SGB and the School Manager on their roles and responsibilities in managing the finances of the school. The Schools Act gives meaningful functions to SGBs. School governance, as regards the SGBs functions, *inter alia* means determining the policy and rules by which the school is to be organized, managed and controlled in respect of their finances.

Every SGB has to govern its school according to a legal framework namely, the South African Schools Act of 1996. However, according to Mestry (2004: 103) there are SGBs and School Managers that have little knowledge of the contents of the Schools Act or are simply interpreting it incorrectly and this has in a number of cases led to schools being the victims of mismanagement or misappropriation of funds in the form of fraud and theft. Although the Department of Education provides training for SGBs regarding financial management, financial problems in many schools have apparently not being completely solved.

Two focus group interviews were conducted. One with four Chairpersons of

SGBs and another one with four School Managers from the relevant primary schools as indicated in Chapter 1 of this dissertation.

The next section will deal with the findings from the two focus group interviews. Quotations from the transcripts of the interviews are used to substantiate certain pronouncements. The references “Ch” and “SM” indicate that the quotations are from the interview with either the Chairpersons of SGBs (Ch) or the School Managers (SM). The numbers provided, correspond with the page numbers of the particular transcript.

4.2 FINDINGS

4.2.1. The financial management practices of the SGBs involved in the study: salient features

From the interviews conducted, it appears as though the context within which the SGBs of the different schools functioned, were very similar and the manner in which these SGBs conducted their financially-related business, did not differ significantly. The general picture regarding the financial management of the schools involved and which the SGB Chairs and school managers painted contained a large number of salient features.

All the members of these SGBs have, in accordance with the

stipulations of the South African Schools Act (1996:24 [Section 39]), been duly elected to manage, amongst other things, the finances of their respective schools. Each SGB has either appointed a treasurer from their own ranks or assigned a particular member of the SGB the task of specifically taking the responsibility for the finances of the relevant school.

After their appointment, all the members of the SGBs received at least three days' initial training provided by the Provincial Department of Education.

The objective of this training was to provide SGBs with the necessary skills, including financial management skills, to enable them to function effectively. In some instances facilitators from the Provincial department of Education have visited the SGBs in a "follow-up action" in an effort to ensure that SGBs are fully equipped to manage their schools in an appropriate manner.

It seems as though a very good working relationship exists between the various SGBs and the managers of the schools involved. Both parties derive benefits from this relationship and it also appears to have a positive influence on the parents and learners of the various schools too.

Although SGBs experience problems in the execution of their financial management task (which will be dealt with in more detail later on), the SGBs seem to follow national and provincial guidelines for the financial management of school funds conscientiously. They have, for example, succeeded in formulating a financial policy for the schools they are responsible for and they annually compile a proper budget. They have measures in place to ensure that, after the budget has been discussed with and approved by the parents of the school. Funds are spent strictly in accordance with the provisions of the budget.

During the interviews it was mentioned that the SGBs have implemented measures to save on water, electricity, transport, prescribed books and stationery in order to balance the budget. Once per annum registered auditors are invited to audit the financial records of the various schools.

In accordance with the South African Schools Act (1996:38 [Section 36]) which requires SGBs, amongst other things, to take all reasonable steps within its means to supplement or add to the amount of money that the state can afford to give to the school (see section 2.4.4.5), the SGBs interviewed have formulated and implemented plans to give effect to this requirement. Both the SGB

Chairs and School Managers have mentioned attempts to sell sweets, cakes and bread during school time in order to supplement their funds.

They also indicated that fun days and recreational evenings are held, sometimes as often as once a month, in an effort to raise funds. Members of the SGBs have also been seeking sponsorships from business and industry.

An interesting aspect of the financial management of the schools involved in the study is the very sympathetic, diplomatic approach followed by SGBs to ensure that parents pay the prescribed school fees. As a general rule, in all four of these schools, the following steps are taken when parents fail to meet their financial obligations towards the school: first the principal addresses a letter to the relevant parents in which the parents are reminded that school fees have not been remitted yet. The parents are requested to settle their account as soon as possible. If the parents do not respond within a set period of time, a second, somewhat more threatening letter is sent. Thereafter a member of the SGB is assigned the task of paying the parents a personal visit in order to convince them that school fees need to be paid. If this does not have the required effect, a social worker's services are acquired. The social worker

also has the task of persuading the parents to pay school fees and to determine whether the parents experience any problems in this regard.

The next step is usually to request the headman (tribal leader) in the specific area where the parents reside, to assist the school in acquiring the funds due to the school. As a last resort District Officials of the Provincial Department of Education are involved in the matter.

Although the South African Schools Act (1996:18 [Section. 41]) provides for an SGB to employ legal procedures to force the non-paying parent to pay, the SGBs interviewed seemed reluctant to institute such proceedings against a non-paying parent. They argued that it would not be fair for an “SGB to institute a court order for a parent who does not know how to read and write. Parents often don’t pay because they are unable to read newsletters sent to them via their children” (Ch.4). Instead, the SGB Chairs maintain, “if parents are shown exactly how funds are used, they become motivated to pay ... but it takes some time convincing them. Parents are generally not unwilling to pay” (Ch. 2). “In any case, legal actions are expensive and schools cannot afford attorneys” (Ch.3).

Finally: one of the functions of an SGB is to promote the best interest of the school and strive to ensure its development through the provision of quality education for all learners at school. This, *inter alia*, implies that SGBs should encourage parents to render voluntary services to the school.

The interview with the SGB Chairs contains evidence that this is actually done in the schools under discussion. Apparently certain unemployed parents prefer to do voluntary service as a *quid pro quo* for paying school fees, but it also seems as though supply exceeds demand in this regard since it is asserted that “there are few jobs left that we can give to the parents” (Ch. 5).

However, from the focus group interviews that were conducted at the four different primary schools, it is also evident that, despite valiant efforts to manage the finances of their schools in a sound and effective way, the SGBs encountered a number of difficult problems. The following emerged as problems the SGBs experience in the execution of their financial task:

- ❑ Failure of parents to meet their financial obligations;
- ❑ Problems related to the policy for exemptions;
- ❑ Late arrival of subsidies;

- ❑ Problems experienced in regard to record-keeping;
- ❑ Problems concerning the training of SGBs;
- ❑ Fund- raising as a problematic area of financial management;
- ❑ Reduction in school fees to attract more learners;
- ❑ Condolence fees a priority.

These aspects will be discussed in more detail in the following sections.

4.2.2 Problems experienced by SGBs in the Ramotse Area

4.2.2.1 *Failure of parents to meet their financial obligations*

In Chapter 2 (see section 2.6) it was indicated that parents are legally and morally accountable for the payment of school fees. However, from the transcripts it appears as though SGBs are faced with a very serious problem: a relatively large number of parents (resp. learners) do not comply with this responsibility and do not pay their school fees. In their focus group interview, the SGBs have indicated that “parents are working, but neglecting to pay school fees” (Ch. 4).

When they were questioned regarding the extent of the problem,

the SGB Chair of one school maintained that approximately "100 of the 1 000 learners" (Ch. 2) attending that particular school did not pay their fees regularly. The representatives of the other schools mentioned similar numbers. According to them approximately 200, 200 and 300 of the 1 000 learners (sic) attending each of these schools respectively, did not comply with the financial requirements of the different schools regarding school fees.

However, as was first verified and then mentioned in Chapter 1 (see section 9), these figures do not correspond with the actual number of learners attending the various schools. During 2004 the schools involved were attended by 1120, 560, 650 and 500 learners respectively. The fact that the SGB Chairs have provided faulty information may be an indication that the representatives interviewed were not fully acquainted with the situation in their schools.

When the School Managers were questioned on this issue, they appeared to be better informed and provided more realistic statistics. According to them approximately one-third of the learners in their respective schools fail to pay their fees regularly.

Fact of the matter is that a significant number of learners fail to

comply with financial expectations. This gives rise to questions pertaining to the reasons why they do not pay their school fees. From the transcripts the following appear to be the main reasons:

- ❑ Unemployment
- ❑ Misconstrued ideas of democracy and misinterpretation of political messages
- ❑ Physical absence of parents from learners' homes
- ❑ Illiteracy of parents

In the following sections the presumed reasons identified above will be further investigated and elaborated upon.

4.2.2.1.1 Unemployment

Unemployment appears to be one of the main reasons why parents are not paying school fees. Without any hesitation the Chairs of SGBs pointed out that “there are parents who do not pay because of unemployment” (Ch. 2). They explained that in many instances children have to “stay with extended families [and try to survive] on a low salary income” (Ch. 2) earned by a single member of that family. The SGBs seemed convinced that most parents would be prepared to pay the required school fees,

but can not afford it mainly because of their inability to find proper employment (Ch. 3). It was mentioned that “up to 60% of fees are being paid from social grants or pensions” (SM.3).

In a similar fashion the School Managers indicated that a very large percentage of the parents living in the area where the schools are situated, are unemployed. They referred to the applications for exemption from school fees, which they have processed previously and alleged that most of these applications were based on the “fact that the majority of parents are unemployed” (SM.4). It is interesting to note that the School Managers expressed some scepticism concerning fund raising attempts, aimed at increasing the schools income, because of the issue of unemployment: “The problem is the issue of unemployment. Today the purchase is good, but tomorrow those learners are having nothing and you will be losing your stock” (SM. 5).

The School Managers also indicated that they found it extremely difficult involving parents in school activities due to, amongst other things, the fact that many of the parents are unemployed. According to the School Managers “there is less support and little interest in what we are doing in the school because of

unemployment” (SM. 7). Apparently unemployed parents are so caught up in their personal problems and circumstances that they show little interest in whatever are happening around them.

4.2.2.1.2. Misconstrued ideas of democracy and misinterpretation of political messages

According to the Chairs of SGBs, parents are sometimes unwilling to pay school fees because of misconstrued ideas of democracy and a misunderstanding of political promises made by certain candidates prior to previous elections.

South African education is not and cannot be provided completely free of charge by the government. Parents are expected to pay a substantial amount of money for their children’s education. Yet a significant number of parents assert that during recent election campaigns certain politicians have emphasised that “education is free” implying that “parents do not have to make any financial contribution to the education of their children” (Ch. 3).

According to the SGB Chairs, some parents simply refuse to pay the fees, which are due to the school, because they do not

realise that they are expected to pay for the education of their children. They regard the provision of education as a right for which they do not have to provide a *quid pro quo*.

Furthermore it seems as though some parents hold the view that they are being treated unfairly if certain (other) parents are exempted from paying school fees, irrespective of whether the latter can afford it or not. They argue that the government should take full responsibility for the provision of education and that, compelling parents that can afford to pay school fees, to do so, whilst those that cannot pay, are exempted, boils down to a discriminatory practice. This can be regarded as a misconstrued idea of democracy. It is interesting to note that the Natal Witness (2001:19), referring to schools in Northern Natal, has also reported this attitude and that it can therefore possibly be concluded that such a point of view amongst certain parents is not restricted to the schools involved in this investigation.

This finding corresponds with and therefore confirms the conclusion drawn by Ndlazi (1999:87) that parents have a misconstrued idea of democracy, which may possibly be a result of the abrupt changes in politics since 1994.

4.2.2.1.3. Physical absence of parents from learners' homes

From the interviews the researcher conducted, it appears as though another important reason why learners don't pay their school fees is the temporary or permanent, physical absence of their parents from the home in which the learners stay. Especially the school managers described in detail how, for example, "parents left their children with grannies and are nowhere to be found" (SM.8). It seems as though a relatively large number of learners (neither SGB Chairs nor school managers were able to supply any estimates in this regard) are not staying with their parents but find themselves residing in an extended family, living with family members, mainly because their parents are working elsewhere in the country. As Ndlazi (1999:85) has also observed in her study, this absence does not only affect the parent's ability to take an interest in their children's education, but also implies that they are absent when certain funds need to be paid to the school. As a result of the parents' absence from home, they are often not aware of the performance of their children at school, not to speak of their financial responsibilities in this regard.

4.2.2.1.4. Illiteracy of parents

According to the SGB Chairs “most of the parents” (sic) whose children attend their schools, are illiterate (Ch.13) which creates problems for the SGBs in the sense that they cannot, for example, read circulars sent from the school or any official documentation related to the financing of schools. These illiterate parents also do not have the ability to communicate with the school in writing or to keep a record of financial transactions. This may be an important reason why certain parents do not meet their financial responsibilities towards the school.

The school managers also referred to the perceived illiteracy of many parents as “a big problem” (SM.18) and indicated that such parents do not participate in discussions during meetings with the staff or SGB. As a result, they often fail to get clarity on matters, which they do not fully understand and remain largely uninformed.

The South African Schools Act (1996:41 [Section. 40]) indicates that parents are liable to pay school fees that have been duly approved. However, it also makes provision for certain parents, under particular conditions, to be exempted from paying school fees. During the analysis of the transcriptions, this gave rise to

the question whether the parents of learners who do not meet their financial obligations towards the school, are duly exempted. Consequently the transcriptions were thoroughly examined for indications of problems experienced by the SGB related to the exemption of parents from paying school fees. This resulted in the finding below.

4.2.3 Problems related to the policy for exemptions

According to the SGB Chairs parents of the schools involved in the investigation “are officially exempted or some are partially exempted by the school manager and deputy principals on the basis of, for example, poverty, unemployment and death of parents” (Ch: 14). This was confirmed by the school managers who indicated that “approximately 200 parents are exempted per annum” (SM: 4). This amounts to approximately one-third of the number of learners attending the various schools, which implies that only a small minority of the parents (if any) that do not pay the required school fees, actually shirk their responsibilities. Generally, so it seems, parents do apply for exemption and in most instances they are legally exempted from paying after their circumstances, as explained in the application forms, have been verified. However, this relatively large number of non-payments creates serious

problems for the SGB since, in effect, consistently only two-thirds of the potential income from school fees is available to cater for the needs of the schools involved in the study.

From the interviews conducted, it is also evident that a large number of parents, who have been exempted from paying school fees, have agreed to render voluntary service to the relevant schools. It seems as though parents guard the schools and protect them against vandalism. They also take responsibility for aspects such as cleaning the schools on a daily basis, maintaining the gardens and painting the schools. However, these activities do not seem to be well co-ordinated.

4.2.4 Late arrival of subsidies

According to the South African Schools Act (1996:44 [Section 14]) it is the responsibility of the government to provide schools with both the necessary infrastructure and funds required for the day to day running of the school. These funds are annually made available to schools in the form of subsidies from the Provincial Education Departments. According to the South African Schools Act (1996:18 [Section 159]), the various departments of Education must ensure that the relevant finances reach schools in good time (see section

2.3). The first term's subsidy, for example, has to be paid to schools no later than 1 April in each school year. However, from the interviews it seems as though the Department of Education often fails to adhere to this provision of the Schools Act.

During the focus group interview with SGB Chairs, it was indicated that "the capital budget [a reference to state subsidies] sometimes comes late in the year and even at the beginning of the next year" (Ch.21). This makes it extremely difficult for the SGB to execute its financial task.

The School Managers also complained about the late arrival of subsidies. During the interview they indicated that they "normally receive the money [state subsidies] towards the end of the year, or during the last quarter of the year and it becomes difficult for us to comply with some requirements" (SM.11).

The rhetorical question, "how are we expected to run schools without subsidies for the whole year and [also be] expected to fulfill additional functions?" (SM. 11) was repeatedly asked during the interview.

4.2.5 Problems experienced in regard to record-keeping

The South African Schools Act (1996:16 [Section 42]) places a duty on SGBs to keep written records of everything that has to do with the money or property of the school. All the money that the school receives must be recorded in a financial statement. If the school pays out money to anyone, it must be recorded in the same manner. Amongst other things, this implies that the school has to identify the need for resources, obtain the resources and create an effective stock taking system.

A special register has to be kept of all the property that belongs to the school. Schools need to keep these and other financially related records very safe for future use. They should make sure that they have a safe place to store their materials, especially financial books. Schools should have a safe, which is under lock and key or else they have to acquire a strong-room (see section 24.4).

In both the focus group interviews that were conducted reference was made to "effective monitoring" of school finances. The SGB Chairs, for example, indicated that the "treasurer, principal and maybe the finance committee and also the SGB is doing the monitoring" (Ch.10) whilst the School Managers asserted that "the principal is doing monitoring" (SM.9). However, views expressed during the interviews also suggest that records are not always

properly and effectively kept.” Principals don't keep written record of the learners who don't pay school fees. They usually do it verbally to parents” (Ch.2). Surprisingly the School Managers confirmed this:”Sometimes the money is not recorded well or properly took care of” (SM.6).

After exploring this matter in somewhat more detail, the researcher came to the conclusion that a problem does exist as far as record-keeping is concerned. It has, for example, been mentioned in the interviews that in a small number of instances, individuals were allowed to borrow money from school fees in spite of the fact that the relevant SGB and School Manager knew that it was against regulations. It also came to the researcher's attention that instances have occurred during which teachers have lost money that was collected during a fund-raising event and that little was done about it.

Since neither the SGBs nor the School Managers involved, seemed able to put a halt to these practices, the parents brought the matter to the attention of District Officials. The question arises as to whether these problems are a result of negligence or of a lack of the required skills. This brings the issue of training of SGBs to the fore.

4.2.6 Problems concerning the training of SGBs

Schools need skillful and well-informed SGBs that are fully acquainted with the activities of the school and know the departmental regulations regarding governance in general. As a result and in accordance with the stipulations of the South African Schools Act (1996:11 [Section 19]), introductory training for newly elected SGBs have to be provided to enable them to perform their functions. This should be followed by additional training to promote the effective performance of their functions or to enable them to assume additional functions (see section 2.4.3).

The training of SGBs is imperative for capacity building and skills development at school level. This implies that even if the Department of Education provides training, schools must also have a way of further training. The complexity of policies requires intense training of SGB members. The competence of members of SGB directly relates to the amount of training received (Van Wyk 2004:53).

Although it was reported that the various SGB members did receive training to be able to function effectively, the general feeling

amongst the SGB Chairs was that their knowledge of financial management was still inadequate.

They acknowledged that they “have acquired [a great deal of] knowledge about the running of the school” (Ch. 11), yet required even more skills and knowledge. In the interview with SGB Chairs, the respondents expressed some dissatisfaction concerning the training workshops they have attended. Apparently they did not regard it as sufficient for them to be able to do their job effectively: They strongly recommended that “[SGBs] do [training] on an annual basis ... meaning that they have to be trained at least three times a year” (Ch. 12).

According to the School Managers members of the SGBs “are trained for dealing with the finances of the school (especially Section 21), discipline of both learners and educators, and also the monitoring and control of school property” (SM. 10). However, they did not regard this as sufficient.

One of the respondents also complained about the medium of instruction used during the training. She indicated that it was difficult to follow the facilitator and that the training would probably have been more effective had it been provided via the vernacular. There

was general consensus amongst the SGB Chairs that the training provided, was “just enough, just in time”, but that significantly more training is required.

4.2.7 Fund-raising as a problematic area of financial management

Although, in the interviews, both the SGB Chairs and School Managers have mentioned that they have engaged in a number of fund-raising attempts as required by the South African Schools Act (1996:18 [Section 39]), this aspect of the SGB's financial management task has not been without problems. The SGB Chairs, for example, mentioned their hesitancy to sell edibles at school because “learners do not always have money to buy these and the school may sometimes lose on the deal” (Ch. 6). Any such fund-raising attempt is regarded as a “major risk” (SM.5).

It is interesting to note that the SGBs involved, neither charge nor do they consider charging an entrance fee when sports or cultural activities take place at the school. Neither do they consider charging churches or other organizations a fee to make use of the school's facilities.

The buildings of one of the schools involved in the study is after hours being utilized as an ABET Centre without the school

financially benefiting from it. In this regard the SGB Chairs argue that “the school buildings belong to the community and therefore it has to be used by the community for free” (Ch. 7).

As regards additional funding from business and industry, SGB Chairs have indicated that sponsorships have been provided by, for example, the taxi industry. However, some members of the SGBs have expressed their dismay over the extent of the taxi industry’s contributions: they expected the taxi industry, in particular, to make significant financial contributions to the school because “they benefit so much from supplying transport to the learners” (Ch. 8). Yet, the taxi owners are often reluctant to make any contribution.

During the interview with the SGB Chairs one respondent mentioned the possibility of fund-raising by means of selling advertisement space on billboards at the school. This led to a rather lengthy discussion of the matter and strong disagreement from other respondents. No meaningful objection against such an attempt was raised though.

4.2.8 Reduction in school fees to attract more learners

An aspect of the SGB's management of their schools' finances, which the researcher found both interesting and surprising, is the fact that the SGBs of at least two of the schools involved in the study, significantly reduced their school fees in an attempt to attract more learner enrolments.

They argued that an increase in the number of learners attending those schools would result in an overall increase in school fees even if individual learners had to pay less than before.

The idea was to “compete”, as it were, with neighbouring schools for enrolments by reducing school fees. However, in the long run this practice proved to have a negative effect on these particular schools and now they could not even afford “to purchase teaching aids” (Ch. 8) from school fees. Instead, according to these respondents, this has led to an increase in vandalism and ineffective maintenance of the schools involved.

Apparently teachers are now expected to make large, personal, financial contributions to the school which as can be expected, often results in teacher dissatisfaction. It is evident that this is a case of “penny wise, pound foolish”. In order to gain something on the short term, much had to be sacrificed on the long term.

4.2.9 Condolence fees a priority

Yet another aspect of the SGB's management of their schools' finances which attracted the attention of the researcher and deserves to be mentioned here, is the so-called "policy of condolences". When a member of the staff, SGB, and in some cases even parents, passes away, learners are expected to make a contribution of a fixed amount of money, comprising anything between 50c and R20-00 to the funeral costs of the deceased.

These "condolence fees" are collected and managed by a Condolence Committee consisting of four members of the SGB, three educators and one member of the School Management Committee. Even learners, who do not regularly pay school fees and those who have been exempted, are expected to pay condolence fees, and they are reported never to fail in this regard.

Apparently, as a result of, *inter alia*, HIV/AIDS, these schools are characterized by an exceptional high mortality rate amongst both teachers and learners.

Since the amount contributed by learners in the form of condolence

fees can apparently run into hundreds of rand per annum, the SGB regarded it as imperative to formulate a condolence policy.

In addition, the SGB Chairs indicated that this is “an important issue that need to be further addressed in future” (Ch. 12). According to them “parents are poor and are going to suffer and have to contribute every week because death strikes our families on a daily basis” (Ch. 12).

4.3 CONCLUSION

This chapter dealt with the analysis and interpretation of the data collected from four schools. A number of findings concerning problems SGBs experienced in the execution of their financial tasks were presented. Chapter five contains the conclusions and recommendations of the study.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The main purpose of this case study was to determine what problems a selected sample of SGBs (those governing four schools in the Ramotse Area) experienced in the execution of their financial task (see Chapter 1, section 5). Amongst other things, the study involved a scrutiny of existing literature on the financial management of SGBs (see Chapter 2) and a description of the manner in which SGBs in the Ramotse Area manage the finances of their respective schools (see Chapter 4, section 4.2.1). However, the emphasis was on the problems encountered by these SGBs (see Chapter 4, section 4.2.2).

A final objective of this study was to suggest ways in which the problems experienced by SGBs in financial management can be dealt with (Chapter 1, section 5). Accordingly, in this chapter, a number of recommendations (including the formulation of possible topics for further research) will be made on the basis of conclusions drawn from the empirical research and with the objectives of the study in mind.

5.2 **CONCLUSIONS AND RECOMMENDATIONS**

This study can be regarded as *exploratory* and *descriptive* by nature. *Exploratory* because, from the outset, the intention of the researcher was to utilise the results to complete a dissertation of limited scope, with the emphasis on the word “limited”. An investigation on a much larger scale is required to be able to obtain an in-depth, representative view of the problems SGBs experience.

It is also regarded as *descriptive* because it is concerned with the current status of the financial management practice of SGBs in four schools in the Ramotse Area. It describes the existing achievements, attitudes, behaviours and other characteristics of these SGBs in regard to financial management. It provides data rather than attempting to answer developmental, difference, and relationship questions.

In view of its exploratory and descriptive nature, the present study cannot claim to be a comprehensive study of the problems SGBs experience in regard to the execution of their financial task in general. It is important to realise that conclusions drawn from this study can clearly only hold for the present sample.

5.2.1 Conclusions

Against the brief background supplied above, the following conclusions can be drawn from this study:

- ❑ The information supplied by the SGB Chairs creates the impression that the various SGBs are very sincere in their efforts to manage their particular schools' finances to the best of their ability and in accordance with the stipulations of all the acts and regulations of relevant Education Authorities.
- ❑ The problems they experience are not a result of intentional obstinacy. This is also the conclusion one comes to when one analyses the focus group interview conducted with the School Managers. These SGBs seem to be doing their utmost, but various factors over which they have no control, impede their efforts; factors such as:
 - ❑ widespread unemployment in the specific community they serve,
 - ❑ a high rate of illiteracy amongst parents of the learners enrolled in the schools involved,
 - ❑ a large percentage of learners living in homes characterised by the physical absence of their parents
- ❑ Van Wyk (2004: 53) maintains that the competence of members of the SGB directly relates to the amount of training received.

This appears to be true in the case of the SGBs involved in this study. Even though they have received a certain amount of training, these SGBs appear to be very cautious in following procedures and extremely hesitant to take the lead in making financial decisions. They, for example, lack:

- ❑ Marketing skills: these SGBs have not been able to formulate a proper marketing strategy. Reducing school fees is hardly a suitable strategy to increase the number learners enrolling at a particular school, especially not in a school characterised by a large number of exemptions and non-payment of school fees. The extent to which respondents disagreed on the matter of selling advertisement space to supplement school funds also points in the direction of a lack of marketing skills.
- ❑ Financial management skills: the irresoluteness of these SGBs in ensuring that all school fees are being paid and the inability to act when they became aware of irregularities are symptoms of a lack of such skills.
- ❑ Fund-raising skills: the rather unenthusiastic fund-raising attempts of the SGBs involved, and their unwillingness to

consider charging entrance fees during school activities, charging a fee for the use of school facilities or refusing to have businesses advertise at a price, is an indication that they are not really business orientated. As a result they also seem to fail to use the resources allocated to them efficiently and effectively.

- ❑ Communication skills: despite claims to the contrary, the SGBs also appear to lack proper communication skills. This conclusion is based on, for example, the fact that the SGB Chairs supplied erroneous information pertaining to the number of learners not paying their school fees.
- ❑ Conflict-resolution skills: the lack of conflict-resolution skills is evident from the procedures used by the SGBs to collect outstanding school fees. They try to avoid conflict at all costs by involving, for example, the tribal leader in the relevant area and social workers rather than attempting to solve the problem themselves.
- ❑ The activities of the SGBs are hampered by a culture of defiance and non-payment, which still exists amongst parents of the learners that are currently at school. These parents grew up in an

era of struggle and although South Africa has already entered its twelfth year of fully democratic government, they have not made the transition to a new dispensation yet. Even today parents are still expecting their learners to continue learning without paying school fees. It is imperative for parents to understand that education is expensive.

- ❑ The SGBs involved in the study also experience cash flow problems and find it difficult to balance their budget because the Provincial Department of Education often fail to provide them with the subsidies due to their schools, in good time. If this is due to a deficiency on the part of the SGBs it merely serves as yet another indication that the SGBs require more training.

Almost all the conclusions drawn above, points to a lack of proper training.

At this stage it seems appropriate to carefully consider all the conclusions that were reached and presented above, and then to attempt to make a number of recommendations regarding possible solutions to the problems those SGBs involved in this study, experienced.

5.2.2 Recommendations

Special attention, even more than at present, should be paid to the training of SGBs. The study has shown that even though the Department of Education has provided introductory training for new members of SGBs; SGBs are still not thoroughly prepared. It is recommended that training should be done on a quarterly basis to make sure that members, who are in SGBs, are capable of executing their financial duties.

The SGB training should not only encompass the drafting of the budget, the monitoring and control of the resources in schools and similar aspects of financial management, but also the development of, for example, communication and conflict resolution skills. The SGBs should be trained over a lengthy period so that they are able to develop financial and developmental plans that focus on the needs of the school.

The training of the SGBs should ensure that the required standard is attained. Only then will SGBs meet the requirements for service delivery in schools.

Parents should be encouraged to establish and maintain a healthy relationship with the school. They should be aware that it is important to be involved in the school financially, physically and morally in order to ensure that their children receive the best possible education available.

The study has shown that there is lack of interest amongst parents to participate in school activities. Schools must interact with parents and give regular feedback on their children's progress. Schools must also be accountable to the parent community as far as SGB decisions and financial matters are concerned. SGBs must acknowledge that parents and learners are their most valuable assets. The SGBs need to empower parents so that parents experience a sense of belonging and offer their expertise to the school.

Parents, especially in the rural area, put all their faith in schools to improve the standard of their children's lives. Parents see schools as a medium to improve the standard of living of their children. This is specifically true for parents in lower socio-economic situations (Gene & Stoneman, 1995:568).

Therefore SGBs should keep parents informed about all its activities via, amongst other things, messages broadcast by local radio and

information posters at tribal offices, post offices, shops and businesses. Regular interaction with parents will undoubtedly encourage parental participation in schools.

Improved communication will ensure that the parents will know why and how they can be involved. This may change their negative attitude. The parents can be involved at different levels, according to their skills and knowledge. These levels can range from motivation and assistance with homework to management of the school (Khan1996: 61). The Provincial Department of Education should also assist schools to get the parents involved.

Recent legislation, like the South African Schools Act (1996:14) compels parents to participate in the governance of schools. Other participation like fund-raising and assisting with academic and extramural activities is voluntary and parents must be motivated and trained to participate actively. The motivation of parents is not only the responsibility of teachers and principals, but also of members of the SGB.

Parents must be able to see the advantages for them if they are more involved. Schools should teach parents that they must work

towards rectifying the problems that inhibit parents to be actively involved in school activities.

The SGBs involved in this study may wish to review and re-arrange their priorities. It doesn't seem wise to reduce school fees merely to attract more learners. Learners should be attracted to the various schools by the quality of education that is provided.

Condolence fees are regarded as more important than school fees. The SGBs should make concerned efforts to change this perception. As regards fund-raising, charging fees for the use of school facilities and for entrance to school activities should seriously be considered. However, the researcher realises that aspects such as condolence fees and the view that school facilities belong to the community (hence fees should not be charged for its use), are very much culturally determined and SGBs will find it extremely difficult to effect change in this regard.

The philosophy underpinning the South African Schools Act is that schools should eventually become self-managed and self-reliant. However, this is a process that can take years to complete. Attitudes have to be shaped and skills have to be acquired by all stakeholders. Given the proper circumstances, these usually evolve in a natural

fashion. Training and assistance from the Department of Education can speed up the process, but a new dispensation cannot be created overnight.

More research into the needs of SGBs is required. The following are topics, which can possibly be considered:

- ❑ How can parent involvement in schools be fostered?
- ❑ What are the needs of SGBs, which have to be catered for by training in order for SGBs, eventually, to function effectively?
- ❑ What are the reasons for a lack of effective policy implementation at school level?

5.3 FINAL WORD

During the past decade South African society has been undergoing rapid transformation. Since 1994 a great deal of fiscal responsibility has been added to the role of schools. This has resulted in SGBs and School Managers having to revise their entire viewpoint as far as recurrent spending and income are concerned. However, many schools are experiencing problems when dealing with finances in schools.

This dissertation constitutes a report on research conducted to determine what these problems are. In this chapter a number of recommendations were made which, if implemented, can possibly solve some of the problems SGBs and school manager's experience in their schools. However, a prerequisite for all the recommendations made, is that the government, politicians, other stakeholders in education, SGBs and parents openly communicate with each other. If not, effective education will never be realised.

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